

**COMMUNITY SERVICES BLOCK
GRANT PROGRAM**

Information Memorandum

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U.S. Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Division of State Assistance
370 L'Enfant Promenade S.W.
Washington, D.C. 20447

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To: State Community Services Block Grant Directors and State Associations of
Community Action Agencies. COMMUNITY ACTION AGENCIES

Subject: **Statutory requirements for designation priority of private nonprofit
organizations over political subdivisions as eligible entities in unserved areas.**

Purpose: This memorandum restates the new statutory requirement that States designate a
qualified private nonprofit organization over a political subdivision to serve as an
eligible entity for receipt of CSBG funds, pursuant to the Community Services
Block Grant Act of 1998.

References: Community Services Block Grant Act of 1998, 42 USC § 9909 (1999).

Policy Summary

The CSBG reauthorization in 1998 changed the requirements for how a State considers different
types of organizations in designating an "eligible entity" for an unserved geographic area.

Specifically, the statute now compels a State to seek a qualified private nonprofit organization as
the first option for designation. 42 USC § 9909(a)(1). Only in circumstances where no such
private nonprofit organization can qualify may a State consider designating a political
subdivision or public organization. 42 USC § 9909(c). If a qualified private nonprofit
organization exists, a political subdivision may not be designated.

Therefore, in designating a new eligible entity, a State must first solicit applications from --

- (1) private nonprofit organizations within the unserved area that could be capable of
providing a range of services and meeting the requirements of the CSBG Act;
- (2) private nonprofit organizations that are already eligible entities in an area contiguous with
or within reasonable proximity to the unserved area.

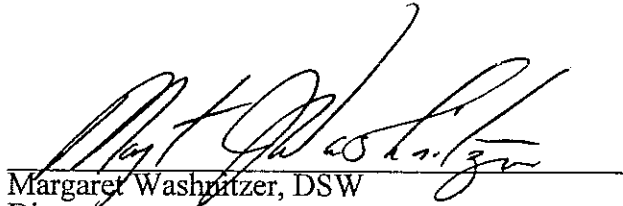
In this first round of review, a State may not consider a political subdivision or an organization
other than a private nonprofit organization, even if such a subdivision or public organization
already serves as an eligible entity or receives CSBG funds. Only when the State cannot identify
a viable private nonprofit organization may it then designate a political subdivision.

Inquiries

For Internet access to this and other CSBG information memoranda, please see the CSBG website at: "<http://www.acf.dhhs.gov/programs/ocs/csb/html/10htm>".

Please address questions to:

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